



Billing Code: 4710-24

DEPARTMENT OF STATE

48 CFR Parts 604 and 642

[Public Notice 9777]

RIN 1400-AE06

Department of State Acquisition Regulation; Technical Amendment

AGENCY: Department of State.

ACTION: Final rule.

SUMMARY: The Department of State (DOS) is amending the Department of State Acquisition Regulation (DOSAR) to add notice that the Department has an agreement with the Defense Contract Audit Agency, and to provide a procedural correction.

DATES: This final rule is effective on [insert date 30 days after date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Ms. Colleen Kosar, Policy Division, Office of the Procurement Executive, A/OPE, 2201 C Street, NW, Suite 1060, State Annex Number 15, Washington, DC 20520. Telephone: 703-516-1685. E-mail: KosarCM@state.gov.

SUPPLEMENTARY INFORMATION: This document adds a new subpart 642.1, including section 642.101(b), to provide notice of the Department's agreement with the Defense Contract Audit Agency on the conduct of incurred cost audits for the Department's cost-reimbursement contracts. In addition, part 604 is amended to specify the office through which audits are coordinated, from the Office of the Inspector General

to the Audit Team in the Office of Acquisitions Management's Quality Assurance Branch.

Regulatory Findings

Administrative Procedure Act.

The Department is publishing this rule as a final rule, as a rule of agency procedure or practice.

Regulatory Flexibility, Unfunded Mandates, SBREFA.

The Department of State, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed this regulation and, by approving it, certifies that this rule will not have a significant economic impact on a substantial number of small entities. This determination was based on the fact that the amendment in this rule will not have any cost or administrative impact on offerors or contractors. This rule will not result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any year and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Act of 1995. Finally, this rule is not a major rule as defined by the Small Business Regulatory Enforcement Act of 1996 (5 U.S.C. 801 *et seq.*).

Executive Orders 12866, 13563 and 13771.

The Department of State does not consider this rule to be an "economically significant" regulatory action under E. O. 12866. The Department has reviewed the regulation to ensure its consistency with the regulatory philosophy and principles set forth in Executive Orders 12866 and 13563 and finds that the benefits of updating this rule outweigh any costs, which the Department assesses to be minimal. This final rule is not subject to the

requirements of Executive Order 13771 because this final rule is related to agency organization, management or personnel, and has been determined to be non-significant within the meaning of Executive Order 12866.

Executive Orders 13132 and 13175.

This rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. The Department has determined that this rulemaking will not have tribal implications, will not impose substantial direct compliance costs on Indian tribal governments, and will not pre-empt tribal law.

Paperwork Reduction Act.

The rule imposes no new or revised information collections under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

List of Subjects in 48 CFR Parts 604 and 642

Government procurement.

For the reasons stated in the preamble, the Department of State amends 48 CFR chapter 6 as follows:

1. The authority citation for 48 CFR parts 604 and 642 continues to read as follows:

Authority: 22 U.S.C. 2651a, 40 U.S.C. 121(c) and 48 CFR chapter 1.

PART 604—ADMINISTRATIVE MATTERS

2. Amend section 604.804-70 by revising the second sentence of paragraph (d)(3) to read as follows:

604.804-70 Contract closeout procedures.

* * * * *

(d) * * *

(3) * * * Requests for audits, normally by the Defense Contract Audit Agency (DCAA) in accordance with the agreement DOS has with DCAA to conduct incurred cost audits, shall be submitted through the A/LM/AQM/BOD/QA Audit Team (see 642.101(b)). * * *

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PART 642—CONTRACT ADMINISTRATION AND AUDIT SERVICES

3. Add subpart 642.1, consisting of section 642.101, to read as follows:

Subpart 642.1—Contract Audit Services

642.101 Contract audit responsibilities.

(b) The Department has an interagency agreement with the Defense Contract Audit Agency (DCAA) to perform incurred cost audits on cost-reimbursement contracts. DCAA audits are requested through the A/LM/AQM/BOD/QA Audit Team.

Eric N. Moore,
Procurement Executive (Acting),
Department of State.

[FR Doc. 2017-26712 Filed: 12/11/2017 8:45 am; Publication Date: 12/12/2017]